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Approved For Release 2008/07/29 : CIA-RDP80B01676R001000050002-6
CONFIDENTIAL

31 OCT 1961

Mr. Elder

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Honorable John L. Moore
Administrator
General Services Administration
Washington 25, D. C.

Dear Mr. Moore:

This is in reference to the proposed new quarters of the National Photographic Interpretation Center which will be located in [redacted] Washington, D. C.

Because of the recent substantial increases in the volume of significant intelligence data available to the intelligence community, the President's Foreign Intelligence Advisory Board with the approval of the President has requested that there be explored the possibility of accelerating the time when the Center is to become operational. See the enclosed copy of a memorandum, dated October 11, 1961, from the Honorable McGeorge Bundy to the Chairman, United States Intelligence Board, and the Director's reply thereto.

It is respectfully requested that the Public Buildings Service, which is the Construction Agent of the Central Intelligence Agency, negotiate a cost-plus-a-fixed-fee contract for construction of the Center, pursuant to authority contained in section 304(b) of the Federal Property and Administrative Services Act of 1949, as amended. I feel strongly that this method of contracting will accelerate the time when [redacted]
[redacted] will become operational. The Contract Architect-Engineer has been consulted in this matter and has agreed that he can provide at an early date plans adequate for the negotiation of

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a contract to be followed by commencement of construction, whereas it would take nearly four months to develop the specifications needed in advertising for bids. The completion of the work would also be advanced by about four months.

Due to the fact that there are many unresolved problems in the systems study, it is clear there will be a large number of substantial change orders to be executed in carrying out the contract. From our experience, we believe that under a fixed price contract the cost of such change orders would be considerably more than if the changes were made under a negotiated contract of the type we are seeking and without the built in cost controls of the cost-plus-a-fixed-fee contract. Based on these conditions and all other information available, I believe that there is sufficient basis for a determination that a cost-plus-a-fixed-fee contract is likely to be less costly than other methods of contracting.

In addition, I feel that in a fixed price contract, because of the numerous change orders, we would be at the mercy of the contractor with respect to completion dates and thus could not be assured of compliance with the request of the Intelligence Board, approved by the President, for acceleration of the work to be done. It would seem that section 302(c)(2) of the Federal Property and Administrative Services Act of 1949, as amended, is a proper vehicle for negotiating the contract, i. e., the public exigency will not admit of the delay incident to advertising. This is because of the magnitude and national importance of this project as indicated in the enclosed memorandum from the White House.

The Bureau of the Budget has been consulted on this matter and interposes no objection.

Your able assistance will be appreciated as it has been in the past. With all good wishes.

Sincerely,

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C. P. Cabell
General, USAF
Acting Director

Enclosures

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Concurrence Sheet - Letter to Honorable John L. Moore, Administrator of General Services, dtd 31 OCT 1961, from General Cabell, Acting Director, re [redacted] Washington, D. C.

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CONCURRENCES

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[redacted]
Deputy Director (Support)

31 Oct 61
Date

s/ James A. Garrison
Director of Logistics

31 October 1961
Date

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[redacted]
General Counsel

31 October 1961
Date

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Originated by

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s/ [redacted]
Assistant General Counsel

31 October 1961
Date

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DD/S 61-361A
CCC 61-188

Honorable John L. Moore
Administrator
General Services Administration
Washington 25, D. C.

Dear Mr. Moore:

This is in reference to the proposed new quarters of the National Photographic Interpretation Center which will be located in [redacted] at the [redacted] Washington, D. C.

Because of the recent substantial increases in the volume of significant intelligence data available to the intelligence community, the President's Foreign Intelligence Advisory Board with the approval of the President has requested that there be explored the possibility of accelerating the time when the Center is to become operational. An attached copy of memorandum, dated October 11, 1961, from the Honorable McGeorge Bundy to the Chairman, United States Intelligence Board, and the Director's reply thereto.

It is respectfully requested that the Public Buildings Service, which is the Construction Agent of the Central Intelligence Agency, negotiate a cost-plus-a-fixed-fee contract for construction of the Center, pursuant to authority contained in Sec. 304(b) of the Federal Property and Administrative Services Act of 1949, as amended. I feel strongly that this method of contracting will accelerate the time when [redacted] will become operational. The Contract Architect-Engineer has been consulted in this matter and has agreed that he can provide at an early date plans adequate for the negotiation of a contract to be followed by commencement of construction, whereas it would take nearly four months to develop the specifications needed in advertising for bids.

Due to the fact that there are many unresolved problems in the systems study, it is clear there will be a large number of substantial change orders to be executed in carrying out the contract. From our

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has shown that under a fixed price contract, the cost of such change orders would be considerably more than if the changes were made under a negotiated contract of the type we are seeking and without the built-in cost controls of the cost-plus-a-fixed-fee contract. Based on these conditions and all other information available, I believe that there is sufficient basis for a determination that a cost-plus-a-fixed-fee contract is likely to be less costly than other methods of contracting.

In addition, I feel that in a fixed price contract, because of the numerous change orders, we would be at the mercy of the contractor with respect to completion dates and thus could not be assured of compliance with the request of the Intelligence Board, approved by the President, for acceleration of the work to be done. It is, therefore, suggested that Sec. 303(e)(2) of the Federal Property and Administrative Services Act of 1949, as amended, be used as the justification for negotiating the contract, i.e., the public exigency will not admit of the delay incident to advertising. This is because of the magnitude and national importance of this project as indicated in the attached memorandum from the White House.

Your able assistance will be appreciated as it has been in the past. With all good wishes.

Sincerely,

C. P. Cibell
Lieutenant General, USAF
Acting Director

Enclosures

CONCURRENCES:

Deputy Director (Support)

Date

/s/ James A. Garrison
Director of Logistics

27 Oct 1961
Date

General Counsel

Date

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/s/ [redacted] Assistant General Counsel [redacted]
Name Title Ext.

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In addition, I feel that in a fixed price contract, because of the numerous change orders, we would be at the mercy of the contractor with respect to completion dates and thus could not be assured of compliance with the request of the Intelligence Board, approved by the President, for acceleration of the work to be done. It is, therefore suggested that Sec. 304(e)(2) of the Federal Property and Administrative Services Act of 1949, as amended, be used as the justification for negotiating the contract, i.e., the public agency will not admit of the delay incident to advertising. This is because of the magnitude and national importance of this project as indicated in the attached memorandum from the White House.

Your able assistance will be appreciated as it has been in the past. With all good wishes.

Sincerely,

C. P. O'Neill
Lieutenant General, USAF
Acting Director

Enclosures

CONCURRENCES:

Deputy Director (Support)

Director of Logistics

S/ Lawrence R. Houston
General Counsel

Date

27 Oct. 1961
Date

31 OCT 1961

Date

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OL/CCC: [redacted] :feb (27 Oct 61)

Originated by:

[redacted]

Assistant General Counsel

Name

Title

[redacted]
Ext.

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Honorable John L. Moore
Administrator
General Services Administration
Washington 25, D. C.

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In addition, I feel that in a fixed price contract, because of the numerous change orders, we would be at the mercy of the contractor with respect to completion dates and thus could not be assured of compliance with the request of the Intelligence Board, approved by the President, for acceleration of the work to be done. It would seem that Sec. 3(e) (c)(2) of the Federal Property and Administrative Services Act of 1949, as amended, is a proper vehicle for negotiating the contract, i.e., the public exigency will not admit of the delay incident to advertising. This is because of the magnitude and national importance of this project as indicated in the attached memorandum from the White House.

Your able assistance will be appreciated as it has been in the past. With all good wishes.

Sincerely,

C. P. Cobell
Lieutenant General, USAF
Acting Director

Enclosures

CONCURRENCES:

Deputy Director (Support)

Date

Director of Logistics

SICCI 1001
Date

General Counsel

Date